



## **Making sense of the sack race: the impact of managerial change in the English Football League**

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# **Making sense of the sack race: the impact of managerial change in the English Football League**

## **Abstract**

### **Purpose**

This paper examines the effect of managerial change in the English football industry. Our theoretical discussion covers three contrasting concepts that attempt to explain the association between manager change and organisational performance (*scapegoating* theory, *vicious-circle* theory and *tenure and life-cycle* theory).

### **Design/Methodology/Approach**

Data was collected for the four main English Football Leagues between 2000/01 and 2015/16. A total of 2,816 football matches were included in the study and during this time 525 instances of managerial change were observed. Analysis was conducted using relevant statistical techniques to examine the impact of managerial change on performance.

### **Findings**

The results show significant differences in all four English Football Leagues when considering teams who make a managerial change and those who do not. Further analysis revealed that a managerial change is more beneficial for clubs in the bottom half of the league, particularly for the English Premier League.

### **Originality/Value**

The implications for clubs competing in English football are clear when considering the strategic direction of the club in respect of managerial change and its impact on team performance. Yet, our findings come with a warning. The findings do not infer direct cause and effect here and any board decision should consider additional factors other than sporting performance before deciding to sack their manager.

**Keywords:** *management, football, performance measurement, organisational change theory, decision making*

## Introduction

Williams (2012) noted that sport, and professional sport leagues in particular, are unique in nature due to the fact that individual teams, while seeking a dominant position in a winner-takes-all scenario, require competitors to provide opposition, entertainment and commercial possibility. As such, professional sport can be a lucrative business, presenting many opportunities for revenue generation (Madichie, 2009). However, generating revenue often necessitates a rise in cost, which is frequently in the form of player recruitment and salaries for professional sport teams, and with this comes an increasing pressure to deliver results with a degree of immediacy (Flint, Plumley and Wilson, 2016).

In professional team sports such as football, this pressure falls mostly on one person, which is most often the manager. Indeed, it is widely regarded that the role of the football manager is one of chronic insecurity (e.g. Flint, Plumley and Wilson, 2014). Most organisations encounter changes in leadership at some point, but there is normally a natural time for such a change (de Dios Tena and Forrest, 2007). For example, a political party may change their leader following an unsuccessful election campaign, or a Chief Executive Officer (CEO) may be changed when a contract reaches a natural expiration point or when that person reaches a certain age. However, in the context of professional football, very few changes are the result of a natural process of time. There is some confusion regarding the differences between a leader of an organisation (in general business) and the manager of a football team (sport business) which is summarised perfectly by Hughes, Hughes, Mellahi and Guermat (2010). In their paper on the English football industry, they liken the football manager to a senior operating officer. An operating officer is typically a CEO's greatest asset; while CEO's focus on external and strategic activities, an operating officer focuses on internal

operating matters, solves workplace problems, detects early signs of marketplace change and nurtures talent (Hambrick and Cannella, 2004). From here on in, we use the term manager exclusively to denote the football manager in charge of team affairs.

Our paper examines the effect of managerial change in the English Football League and provides two main contributions to theory. Firstly, our paper updates the work Audas, Dobson and Goddard (2002) and Hughes et al. (2010), both of whom offer longitudinal analysis on managerial change in the English Football League that stretches between the early 1970s to the early 2000s. Our data pertains to the English Football League since 2000 up to and including the 2015/16 seasons, hence updating the research in this field. Second, we discuss our results in the context of the theoretical frameworks for why managerial change occurs and offer insightful discussion as to whether or not any of the theories are relevant in relation to professional team sports. Practitioners also benefit from this research evidence by identifying the consequences of change and tracking the long-term performance of clubs in relation to managerial change.

The remainder of our paper is structured as followed. The next section considers the theoretical framework present in managerial change literature before we consider the evidence base of managerial change research in professional team sports. Following this, we discuss the dataset for this paper and the analysis techniques performed which lead us to the results and discussion in relation to the theoretical framework. The final section concludes with recommendations for researchers and practitioners as well as outlining the limitations of the paper and future research direction.

## Theoretical considerations of managerial change

There is substantial academic coverage of manager change in both sports and general business organisations that inform our work. Whilst a comprehensive review of managerial change literature is beyond the scope of this paper there are a number of studies that provide more detailed coverage in this area (e.g. Giambatista, Rowe and Riaz, 2005; Kesner and Sebor, 1994). Our theoretical discussion does cover three contrasting theories that attempt to explain the association between manager change and organisational performance (Hughes et al., 2010). This area of enquiry has been determined in part because of inconsistent findings in the field in relation to the effect that managerial change has on organisational performance (e.g. Greiner, Cummings and Bhambri, 2002). The first theory is labelled as *scapegoating*; managers are replaced as a ritual to signal that boards of directors have taken action to address poor performance. This is particularly pertinent in the professional football industry, where the fans of clubs and media outlets place increasing pressure on CEOs to make a change at managerial level when sporting results are perceived to be poor. However, Sakano and Lewin (1999) suggest that the scapegoating theory may not always resolve underlying organisational issues, building on the work of Khanna and Poulsen (1995) who find that managers are rarely to blame for poor performance as they do not deliberately make value-destroying decisions. In *scapegoating* theory, the loss of firm-specific knowledge can also act as a mechanism to explain why performance might not improve after manager change.

The second theory is labelled *vicious circle* theory in a sense that manager change continually damages performance because replacement events disrupt already established processes and bring with it instabilities and tensions that can further deteriorate performance (Grusky, 1963). There is further evidence to support this theory from Greiner et al. (2002)

who state that the disruptive nature of manager change is exacerbated by the loss of firm-specific knowledge which further deteriorates performance in the short to medium term.

Lastly, *tenure and life-cycle* theories suggest that a new manager develops new processes, a new team and a fresh strategy that will improve long-term performance through continual learning and identifying where adaptations are necessary (Hambrick and Fukutomi, 1991). Put simply, a new manager should be given time to change performance positively for the long term. Findings have indicated an association between giving more managers more time and better long-term performance as time is needed for managers to nurture, train and shape human capital (Giambatista, 2004; Rowe, Cannella, Rankin and Gorman, 2005). However, other authors argue flaws in this theory suggesting that managers over time become dysfunctional in an inverted U-shaped relationship with performance (Hambrick and Fukutomi, 1991) and that some studies propose that organisational performance increases for the first 8-10 years of tenure but decreases thereafter as managers apply old formulae to new conditions (Miller and Shamsie, 2001). In response, Henderson, Miller and Hambrick (2006) do suggest that this pattern might depend on the industry.

*Tenure and life-cycle* theory is certainly a rare occurrence in English professional football. Indeed, of the current managers in English league football (at the time of writing) only 2 managers out of 92 have been in charge of their present club for longer than 5 years (Arsene Wenger at Arsenal FC (English Premier League, 20 years in post) and Paul Tisdale at Exeter City FC (English Football League 2, 10 years in post). Furthermore, various media outlets in recent seasons have discussed the performance of Arsene Wenger in relation to the concept of *tenure and life-cycle* theory with the club being subjected to external pressure from fans having not won the league title since the 2003/2004 season. Indeed, a recent news

article suggested that Wenger has now begun to abandon his philosophy of how his team should play in an attempt to make them title challengers again (Kini, 2016).

It is these three theories that form the basis for our discussion later on in the paper and we now turn our attention to previous research that examines managerial change in professional team sports. Koning (2003) stated that the choice of this industry is advantageous as objectives in football organisations are clearer than those of a conventional firm although this appears contentious given the modern-day football industry where football clubs must balance a myriad of multiple performance objectives (e.g. Carlsson-Wall, Kraus and Messner, 2016). Notwithstanding this, managerial change research in professional team sports is useful as competing organisations possess similar structures, objectives and industry constraints (e.g. Audas et al., 2002).

### **Previous research on managerial change in professional team sports**

Research examining managerial change in the sports industry is not new, with some of the extant literature dating back to the 1960s, with Grusky's (1963) research on dismissals in Major League Baseball (MLB) being one of the first in the field. However, the size, scale and shape of the industry itself has changed dramatically since this pioneering paper, with some of the most rapid acceleration in value taking place over the last two decades. This is particularly the case with English professional football, due primarily to the escalation of media rights deals, which has meant that football clubs are now increasingly concerned with their financial affairs (e.g. Morrow and Howieson, 2014). In addition to Grusky's work, a number of previous studies have focused on the major American team sports such as the National Basketball Association (NBA: Giambattista, 2004), National Hockey League (NHL:



Rowe, Cannella, Rankin and Gorman, 2005), Major League Baseball (MLB: McTeer, White, and Persad, 1995) and the National Football League (NFL: Brown, 1982).

After this, the majority of the extant literature is focused on European football leagues such as the EPL (e.g. Audas, Dobson and Goddard, 2002; Bell, Brooks and Markham, 2013; Flint, et al., 2014; Hope, 2003; Ogbonna and Harris, 2014), Dutch Eredivisie (e.g. Bruinshoofd and ter Weel, 2003; Koning, 2003; Van Ours and Van Tuijl, 2016), German Bundesliga (e.g. Frick and Simmons, 2008), Spanish La Liga (e.g. Gonzalez-Gomez et al., 2011; de Dios Tena and Forrest, 2007) and Italian Serie A (e.g. De Paola and Scoppa, 2011;). Despite such a substantial body of empirical evidence relating to managerial change, studies have reported mixed findings. Some have reported managerial change to have little or no effect on performance, particularly in relation to long-term performance. Indeed, the study by Grusky (1963) found a negative relationship between managerial change and performance that created a vicious circle of continual decline (i.e. poor performance triggers manager change which intensifies poor performance) which is one of the three main theories in relation to organisational change cited in the introduction. A number of studies point to an improvement in short term performance following a managerial change (e.g. Audas et al., 2002; Flint, et al., 2014; Koning, 2003; Giambatista, 2004; Van Ours and Van Tuijl, 2016) but all also stated that compared with a control group of clubs that did not change the manager clubs that changed still performed worse overall. These findings advocate the view of Rowe (2005) who suggested that giving managers more time leads to better performance in the NHL. Rowe and colleagues suggested that this occurs because new managers need time to lead organisational reconstruction and implement the right initiatives to achieve this goal which links closely to the *tenure and life-cycle* theory postulated by Hambrick and Fukutomi (1991).

It is reasonable to suggest that, in actual fact, the majority of club executives do subscribe to this mantra. More often than not, a change of manager midway through a season is simply a reaction to a poor run of results and a short term decision rather than anything that has stemmed from poor planning in the first instance. Furthermore, in many cases, particularly in elite leagues, dismissing the manager can be a costly exercise as managers are entitled to compensation if their contracts are terminated early (Bell et al., 2013). There are a myriad of factors involved with the decision to replace a football manager. Indeed, Wagg (2005, 2007) argues that football management is a paradigm and that there is a long standing myth that a football clubs' performance is the product of the stewardship of one person: the manager. This subscribes to the *scapegoat* theory proposed by Sakano and Lewin (1999) where the modern-day football industry creates a pressurised environment in which the default response to poor performance appears to be an almost automatic response to replace the football manager. There seems to be no logic or strategic thought as to the timing of this decision either, particularly within-season.

Hope (2003) did attempt to develop a practical econometric solution to this problem and proposes three core factors with regard to managerial performance: 1) the honeymoon period (length of the honeymoon period in which a manager is exempt from being sacked); 2) the trapdoor (average number of points accumulated per game); 3) and the weight (the most recent games will be given significant weight in analysing the managers performance). Taking these factors into account, a manager would be sacked if they fall below the trap door figure. Using partial data from the EPL seasons 1996/97 to 2001/02, Hope's model (2003) suggested that in considering these factors a manager should gain an average of at least 0.74 points per game and 56.81 points over the course of the season to avoid being sacked by the

club. However, in practice, this scenario rarely plays out and clubs have been known to change managers at random points in time and for a number of different reasons. In any case, Hope's model is clearly still subjective with no emphasis on important variables such as whether games are played at home or away, the quality of the opposition, the importance of avoiding relegation, non-EPL games (e.g. cup competitions), the financial costs of firing a manager and the diverse aspirations of alternative clubs (Bell et al. 2013).

It is clear from the literature that managerial changes are critical decisions that can shape organisational performance (Miller, 1991). The consequences of such change can have a significant impact on a football club, for example it can alleviate the threat of relegation and ultimately financial loss or the achievement of European qualification and an increase in revenue. As such, it is important that a number of measures are employed when considering whether or not managerial change is the correct decision to make. This paper, therefore, provides a new and unique insight into the effect of managerial change on the performance of football clubs in the modern-day English football industry (i.e. post-2000) by considering three main research questions: 1) does managerial change contribute to an increase in points per game? 2) does managerial change contribute to an increase points per game for clubs in the top and bottom half of the table? and, 3) does managerial change contribute to a change in the league position of clubs in both the top and bottom half of the table. These research questions are answered through the examination of a substantial dataset that covers the four professional English Football Leagues, thus enabling the paper to contribute to the current body of research surrounding managerial change in professional team sports. The next section of the paper briefly discusses the methodological approach taken before the results are discussed in the context of the existing literature.

## Method

The methodology for this study follows a similar approach to Flint et al. (2014) in respect of the methods employed and subsequent analysis. As such, we see this study as a natural progression of this paper given that Flint et al. (2014) only considered one league (the EPL) over 10 years. Our data covers the period from 2000/01 to 2015/16 and focuses on the main four professional leagues in England (the EPL, The Championship, League 1 and League 2). In total, the dataset includes 2,816 individual football matches during which time we observed a total of 525 manager changes. Data was collected from the official websites pertaining to the English Premier League (EPL), English Football League (EFL) and the League Managers Association (LMA). Throughout this time period, the EPL has consisted of 20 teams having been reduced from 22 in 1995. The three leagues below (Championship, League 1 and League 2) have all comprised of 24 teams each since the restructure of the football league in 1995. The composition of the leagues changes from year-to-year due to a promotion and relegation system being in place across all four leagues. Our study focuses solely on league performance and does not account for non-league matches such as domestic or European cup competitions.

The primary measures we use in this study to outline team performance is the total number of points obtained by a team during an entire season against the total number of matches played by any given team. During a season, the variable for league points is strictly non-decreasing (excluding extraordinary penalties by the Football Association). This allows us to consider the average points per match obtained by each manager at any given time. The average points per match of those clubs that have experienced managerial change during the last sixteen years were analysed. We also used league position as an additional proxy to measure sporting

success. This is due to the fact that the league points obtained contributes to a ranking position for any club in any given league which can then lead to additional success (or failure) factors such as additional prize money, qualification for European competition or, on a negative note, relegation to the league below.

### ***Data analysis***

Independent t-tests were conducted to examine whether teams who make a managerial change accumulate more points than teams who stick with their manager, and paired t-tests were used to examine points per game and league position changed from pre to post managerial change.

To examine the impact of managerial change on league position, the difference between league position at the point of managerial change and the final league position was calculated. Independent t-tests were conducted to examine the difference in change in league position between teams in the top half of each league compared to the bottom half.

Repeated measures one-way ANOVAs with Bonferroni correction for confidence interval adjustment and follow up post-hoc tests with Scheffé correction were used to examine any differences between Points Per Game pre- to post-managerial change for teams in the top or bottom half each league. Follow up paired t-tests were conducted where significant differences were identified.

## **Results**

### ***Descriptive statistics***

Over the 15 seasons, the most managerial changes occurred in the EFL 2, Championship, EFL 1 followed by the EPL (43.6%, 39.1%, 34.7%, 27.2% of managers were changed, respectively; see Table 1).

[Table 1 about here]

In all four leagues, more teams in the bottom half made a managerial change than in the top half over the 15 seasons. In all leagues, teams who made a managerial change on average improved their league position more than teams who made a change in the top half, and in the EPL and Championship, managerial change led to a deterioration in league position on average than teams in the top half (see Table 2).

[Table 2 about here]:

### ***Does managerial change increase Points Per Game?***

Significant differences were observed in all four leagues between the Points Per Game accumulated by teams who make a managerial change compared to those who do not, where teams who do not make a managerial change accumulate more Points Per Game than teams who do make a change ( $t(318) = 6.80, P < .01$ ;  $t(382) = 11.97, P < .01$ ;  $t(382) = 5.17, P < .01$ ;  $t(382) = 4.79, P < .01$ , for the EPL, Championship, EFL 1 and EFL 2 respectively).

In respect of the difference in points per game accumulated pre compared to post managerial change, significant differences were observed in the EFL1, where in both

instances, increased points per game was observed after a managerial change ( $t(132) = -4.87$ ,  $P < .001$ ). No significant differences were observed for the EPL, Championship or EFL2 ( $t(86) = -1.92$ ,  $P > .05$ ;  $t(149) = 1.25$ ,  $P > .05$ ;  $t(154) = -.47$ ,  $P > .05$ , respectively).

***Change in league position between teams in the top half of each league compared to the bottom half***

A significant difference between the change in league position between top and bottom half teams in the Championship and EFL2 were identified ( $t(148) = -2.94$ ,  $P < .01$ ;  $t(153) = -3.68$ ,  $P < .001$ , respectively). There were no significant differences between the change in league position between top and bottom half teams in the EPL and EFL1 ( $t(85) = -1.83$ ,  $P > .05$ ;  $t(131) = -1.91$ ,  $P > .05$ , respectively).

***Points per game for teams with a managerial change in the top versus bottom half of the league***

Significant main effects were evident for Points Per Game accumulated by teams who made a managerial change in either the top or bottom of half of the league when comparing Points Per Game accumulated pre versus post managerial change in the Championship and EFL 1 ( $F(1, 30) = 10.29$ ,  $P < .01$ ,  $\eta_p^2 = .26$ ;  $F(1, 30) = 4.76$ ,  $P < .05$ ,  $\eta_p^2 = .14$ , respectively). Follow up paired t-test revealed significant differences in points per game accumulated by teams in the top half compared to the bottom half in the EFL1 ( $t(42.44) = 4.14$ ,  $P < .001$ ), where oppositely, teams in the top half who made a managerial change accumulated more points per game compared to teams in the bottom half. Follow up paired t-test revealed that there was no significant difference in points per game accumulated by top or bottom half teams in the Championship ( $t(34.34) = -1.01$ ,  $P > .05$ ).

A significant interaction between Points Per Game and whether a team was in the top or bottom half of the EPL was evident, where teams in the top half of the EPL who made a change accumulate less Points Per Game after managerial change compared to teams in the bottom half who accumulated more Points Per Game ( $F(1, 85) = 10.25, P < .01, \eta_p^2 = .11$ , see Figure 1).

[Figure 1 about here]

No main effects were evident for the EPL or EFL 2 ( $F(1, 85) = 0.57, P > .05, \eta_p^2 = .00$ ;  $F(1, 29) = 2.44, P > .05, \eta_p^2 = .08$ , respectively). No interaction effects were observed for Points Per Game and whether a team was in the top or bottom half of the Championship, EFL 1 and EFL 2 ( $F(1, 30) = 0.08, P > .05, \eta_p^2 = .00$ ;  $F(1, 30) = .27, P > .05, \eta_p^2 = .01$ ;  $F(1, 30) = .27, P > .05, \eta_p^2 = .01$ , respectively).

## Discussion

Based on table 1, the assertion that the role of a football manager is one of chronic insecurity (e.g. Flint, Plumley and Wilson, 2014) is confirmed. The total number of manager changes was 525 for the period studies across all four leagues with an average number of changes per season standing at 32.8. In relation to individual leagues, the average number of changes per



season equated to 5.4 (EPL), 9.4 (Championship), 8.3 (EFL 1) and 9.7 (EFL 2). Despite the rewards on offer in the EPL it seems a manager's job is rather more secure.

The most managerial changes were made in EFL 2, with the least number of changes being made in the EPL (see table 1). This is perhaps surprising given the point of Morrow and Howieson (2014) that owing to the escalation of media broadcasting rights English football clubs, and in particular EPL clubs, are more concerned with financial affairs. The amount of revenue on offer to EPL clubs is significantly higher than their counterparts in the football league. Indeed, in relation to EFL 2 the payment each club receives from central broadcasting distributions is around £600,000 whereas the broadcasting revenue guaranteed for the club that finishes bottom of the EPL is around £100m (Wilson et al., 2018). As such, it is reasonable to assume that the financial pressure on managers in the EPL is greater than managers in the rest of the English Football Leagues although our results state that more managerial changes occur in these leagues than in the EPL. An alternative discussion point is that perhaps EPL managers are protected somewhat by the leagues financial climate, providing they maintain league status as a minimum requirement. For example, consider a mid-table EPL team that has very little chance of qualifying for European competitions but, equally, has very little chance of being relegated. In this instance, the owner might be satisfied to maintain the same level of performance as realistically performance could not get much better without significant further investment. Relegation, on the other hand, has severe financial consequences and this could be one of the reasons why a high number of clubs make the decision to change the manager when threatened with relegation.

This argument is confirmed by our findings. In the EPL, teams in the top half of the table who made a change accumulate less Points Per Game after managerial change

compared to teams in the bottom half who accumulated more Points Per Game. In this regard, our findings are in line with the work of Flint et al. (2014) who confirmed similar findings for the EPL. This is particularly relevant given the financial context of relegation from the EPL, notwithstanding the cost of hiring and firing a manager (see Flint, Plumley and Wilson, 2016), which can immediately cost a club around £60m in revenue. With this in mind, our results show that if a club is threatened with relegation from the EPL then it might be beneficial to consider changing a manager to secure a short-term improvement in performance.

In addition to this, our results concur with several studies in the extant literature that point to an improvement in short term performance following a managerial change (e.g. Audas et al., 2002; Flint, et al., 2014; Koning, 2003; Giambatista, 2004; Van Ours and Van Tuijl, 2016). Our findings also confirm (as stated in the above studies) that compared with a control group of clubs that did not change the manager clubs that changed still performed worse overall. Similar findings were confirmed by Rowe (2005) in the NHL who suggested that giving managers more time leads to better performance. Rowe and colleagues suggested that this occurs because new managers need time to lead organisational reconstruction and implement the right initiatives to achieve this goal which links closely to the *tenure and life-cycle* theory postulated by Hambrick and Fukutomi (1991).

### ***Reflecting on the theoretical position***

Our results appear to subscribe to the argument that in the English professional football industry there is a prevalence of the theories of *scapegoating* and *vicious circle* rather than the *tenure and life-cycle*, perhaps more often found in US team sports where a manager is fired, or doesn't receive a contract renewal, at the end of a season. However, we must also be

cautious in our findings with reference to these theories. We have not controlled for a number of scenarios that might also be associated with managerial change that are distinct from on-pitch performance. Notwithstanding this, our results do provide a starting point for future research in this area that could look to include multi-level modelling. Our results are particularly important when considering the point at which a manager change is made in professional football, often at random points within season. For instance, the number of managerial changes in total may point towards evidence of *scapegoating* (i.e. it is the managers performance that has contributed to a low points per match return) whilst the lack of significance in improvement in performance post-managerial change (in general terms for the majority of leagues) and subsequent continual changes of manager may subscribe to *vicious circle* theory. It could well be that both theories apply rather than one or the other.

Furthermore, these findings also provide some association with *scapegoat* theory (Sakano and Lewin, 1999) in relation to the modern-day football industry which creates a pressurised environment in which the default response to poor performance appears to be an almost automatic response to replace the football manager. The external pressure placed on boards by supporters, players and the media provides a melting pot which appears to result in knee-jerk reaction. Particularly when it is found that a manager who stays will return higher points per match return over time than those who are regularly changed. There seems to be no logic or strategic thought as to the timing of this decision either, particularly when it occurs within-season and importantly, the clubs overall objectives appear to be ignored.

In this regard, it could be argued that the work of Hope (2003), who postulated a model to establish the right time to sack a manager, is virtually impossible given the volatile nature of the industry and the suggestion that there seems to be no strategic thought about the timing of

the decision. Indeed, there are other variables that will impact on a managerial change decision, and make models such as Hope's appear simplistic, such as pressure from other stakeholder groups (e.g. fans), changes in the external environment and/or a breakdown in communication between manager and owner to name but a few. This requires refinement and a qualitative discussion with Directors to establish a full picture of the rationale behind managerial sacking.

### ***Managerial change; Improving performance?***

The findings of this study suggest to football club boards that, whilst managerial change is often a factor in improving performance in the short-term, there is little statistical evidence that sacking a manager has any real effect in terms of post-managerial change performance. Indeed, with reference to general performance pre and post-managerial change there are significant findings in the case of EFL 1 but no significant difference for other leagues. Consequently, our findings report mixed results for all four leagues studied although there is an important implication for clubs in the bottom half of the EPL. Here, our results indicate that a change in manager can be a factor in significantly improving performance and this is important in the context of this league whereby the financial rewards for survival are great. The results of the current study should be beneficial for club stakeholders when considering managerial change and can be informative for analysts, with debates common over whether managerial change is the correct decision. Given the different factors that need to be considered and the potential implications of managerial change for clubs in the top and bottom half as alluded to above, the findings of this paper provide new insights that should be taken into account when making decisions about managerial change. For example, the pressure on clubs to remain in the EPL, given the financial benefits, is often cited as the reason for changing a manager and this factor is supported in the findings of this paper. Yet,

our findings come with a warning. The findings do not infer direct cause and effect here and any board decision should consider additional factors other than sporting performance before deciding to sack their manager.

### **Limitations and future research**

There were four potential shortcomings of the study. First the timing of change was not considered (i.e. whether the change was made at the start or end of the season), which may have affected the amount of pressure a club may have been experiencing (e.g. relegation threatened). Timing of change was not considered due to the varied factors evident at different time points within a given season such as the results achieved in cup competitions and allowing new managers sufficient opportunity to work with players in alignment with Hope's (2003) definition of the 'honeymoon period'. However, the current study uses a standardised measure of points gained per match to account for these factors. Second, the amount of games each manager had accumulated varied which might have affected the points per match achieved. For instance, based on the premise that clubs receive a short-term benefit from managerial change (Bruinshoofd and ter Weel., 2003; McTeer et al., 1995), if a club changed their manager after 30 out of 38 matches, it is expected that more points per match would be achieved in the final 8 matches. Third, we have not considered the impact of other externalities in this study that may have an impact on managerial change such as the spending on player transfer fees and salaries. The intention of this study was to isolate the direct impact of points per match and league position linked to managerial change. Thus, we cannot determine that it is managerial change that has led to an increase in points per match in this study. The statistical tests used in this study do not allow us to demonstrate that variation in the dependent variables (i.e. points per game and league position) is determined by

managerial changes. Therefore, an increase/decrease of sporting performances cannot be automatically attributed to 'managerial change'. However, it would be fair to say that managerial change plays a crucial role in determining sporting performance. Fourth, we have not applied a multi-level approach to the analysis which would help control for team fixed effects and the clustering of matches per season. Thus, we appreciate that we cannot claim direct causality in respect of our findings and managerial change. Indeed, it may not be surprising to observe that teams in the bottom half of the table made more managerial changes than those in the top half given the revenue implications linked to relegation that we have previously discussed. To achieve a more accurate measure of the manager effect it would necessary for the analysis to allow for randomness of results and control for other external factors such as opponent quality.

With regards to future research, a more comprehensive examination of the impacts of managerial change in the English football industry is warranted that considers the effects beyond points per match and final league position that were included in the current study. In particular we would look to control for external factors and specifically the quality of opponents. It would also be beneficial for future research to consider more qualitative factors as part of any analysis such as fans perceptions of the manager, the relationship between manager and owner and the structure of the management team at boardroom level. Whilst such variables are understandably difficult to measure, they may have a direct or indirect impact on the decision taken to change a manager and are thus important when considering a more holistic approach to investigating this field of study. Wagg (2005, 2007) argued that football management is a paradigm and that there is a long standing myth that a football clubs' performance is the product of the stewardship of one person. Consequently, it is

important that future research in the field incorporates more variables and the wider picture of the football industry and club ownership.

## **Conclusion**

This paper provides empirical evidence on the impact of managerial change as a contributing factor to team performance for the four professional leagues in England. In doing so, it provides a longitudinal and comparative analysis that updates the current literature in the field. In relation to our three research questions, we present mixed evidence. There are instances where managerial change contributes to improved performance within certain leagues and depending on league position at the time of change but there are also instances where no significant difference is found in relation to performance post-managerial change. There appears to be no symmetry between leagues in relation to the findings of this study. As such, it is important that the relevant decision makers at each club consider a more holistic approach to changing a manager and that they do not solely focus on indicators such as points per game, while being mindful that statistically speaking clubs that opted for a new manager within this study appear to have acted wisely. This paper explores the differences that exist between leagues when it comes to the frequency and effect of managerial change highlighting the short-term nature of managerial tenure particularly if you are a manager in the lowest tier of the professional pyramid.

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Table 1: Mean and standard deviation of managerial changes, points per game and league position change in the 4 English Football Leagues (2000/01-2015/16 seasons)

	<b>EPL</b>	<b>Championship</b>	<b>EFL 1</b>	<b>EFL 2</b>
Managerial changes ( <i>n</i> )	87	150	133	155
Points per game of teams that made a managerial Change	1.46 (.43)	1.46 (.31)	1.35 (.42)	1.47 (.31)
Points per game of teams that did not make a managerial Change	1.08 (.49)	1.04 (.38)	1.12 (.40)	1.09 (.40)
Difference in league position change of teams that made a managerial change	.89 (3.39)	1.55 (5.01)	1.27 (4.45)	1.20 (4.00)

Table 2: Mean and standard deviation of managerial changes, points per game and league position change for teams in the top and bottom half of the 4 English Football Leagues (2000/01-2015/16 seasons)

	<b>EPL</b>		<b>Championship</b>		<b>EFL 1</b>		<b>EFL 2</b>	
	T	B	T	B	T	B	T	B
Managerial changes ( <i>n</i> )	18	69	32	118	33	100	34	121
Points per game	1.47 (.57)	1.11 (.42)	.87 (2.25)	1.28 (.99)	1.65 (.53)	.123 (.37)	-.95 (3.27)	1.81 (4.00)
Difference in league position change of teams that made a managerial change	-.39 (2.70)	1.23 (3.48)	-.70 (4.53)	2.16 (4.97)	.00 (4.49)	1.69 (4.38)	.91 (2.95)	1.20 (1.05)

\*T = Top half of the league when managerial change occurred; B = Bottom half of the league when managerial change occurred

Figure 1: Points Per Game accumulated by top and bottom half teams pre and post managerial change I the EPL

